



**Director Tyrone Garrett**  
DC Housing Authority

# DCHA's Customers

*A look beyond the front door: the number of individuals*

	<b>Heads of Household</b>	<b>Family Members</b>
Public Housing	5,944	12,343
HCVP	19,127	38,742
Waitlist	<u>43,494</u>	<u>187,076</u>
Total	<b>68,565</b>	<b>238,161</b>
<i>District Population</i>		703,608

# DCHA's Customers

Between May 2015 and July 2018, nearly 10,000 DCHA customers completed an online profile and shared information about their education, work experience and variety of other details.

Of those who responded, here is what they told us:

- 48% attended **college**
- 55% are **currently** employed or attend school
- 45% **worked** in administrative services (administrative assistants, receptionists, etc.)
- 23% have **job experience** in healthcare
- 4% **worked** in construction
- 27% currently earn between **\$20,000 to \$40,000** a year

# Affordable Housing Development Structure

## Private Sector Partnership

- HOPE VI projects: DCHA typically conveyed land through long term ground lease and provided HUD funds and operating subsidy to developers.
- New Projects: DCHA creates joint venture entity with development partner. Provides land, operating subsidy, and gap funding, but also shares in developer fees and cash flow. DCHA can provide operating and construction guarantees as needed.
- Mixed-Income Projects: Recent projects have included 80% market-rate and 20% public housing. Revenue from market-rate units provides a cross-subsidy to public housing units, creating new affordable housing at a minimal cost to DCHA.

## DCHA Self Development

- DCHA manages all aspects of development: A&E, financial structuring, construction, leasing. Procures vendors on fee basis to provide services.
- Capitol Housing Partners: DCHA affiliate created to serve as self developer. Invested with sufficient capital and liquid assets to provide financial guarantees.
- Benefits: DCHA generates developer fees, future cash flow, and holds a long-term asset.
- Highland Dwellings: Gut renovation of 208 unit public housing complex. Completed in 2017.
- Parkway Overlook: Gut renovation of 220 units of vacant former Section 8 property. Completion in 2019.

# Parkway Overlook – Self Development

- DCHA acquired vacant foreclosure property from D.C. Housing Finance Agency in 2014
- DCHA procured A&E team, general contractor, and property manager.
- Designed project to include 220 new energy efficient units, french balconies, new leasing office, redesigned community building, accessible units, and 2,400 solar panels and on-site battery storage.
- Wells Fargo selected as equity and debt provider through competitive procurement
- DCHA affiliate, Capitol Housing Partners providing all construction and operating guarantees
- DCHA structured project financing of \$82 million

4% Tax Credit Equity – Wells Fargo (\$1.063 raise)	\$29,751,581
Solar Tax Credit Equity – Wells Fargo	\$830,398
First Mortgage – Wells Fargo (4.9%)	\$22,150,000
D.C. Housing Production Trust Fund	\$20,100,000
D.C. Solar For All	\$1,512,981
Deferred Developer Fee - DCHA	\$3,800,000
Acquisition Loan	\$2,400,000
<u>Interest Income During Construction</u>	<u>\$1,911,000</u>
<b>Total</b>	<b>\$82,455,960</b>



**Before**

- DCHA to receive \$5.8 million developer fees, future cash flows, and will control a \$52 million asset.
- Project closed in February 2018. First units will be ready for occupancy in February 2019, project completed in mid-2019.



**After**

# Affordable Housing Funding Sources

## Operating Subsidy

*Use operating subsidy to serve residents with very-low incomes, create excess cash flow to leverage debt*

- Project Based Voucher: Use existing vouchers, or Tenant Protection Vouchers to create new public housing replacement units. Provide a market-rate rent subsidy.
- Rental Assistance Demonstration (RAD): RAD rents are sum of all public housing subsidies to DCHA, typically below market. Rent may be supplemented with MTW funds or RHF
- Local Blended Subsidy: Use ACC subsidy to create new public housing units. Use MTW funds, or cash flow from market-rate units to enhance rents.
- Local Rent Supplement Program: Locally funded voucher program, provides a market-rate rent. Can also be layered on top of ACC subsidy to create new public housing units.

## Capital Funding

*Funding sources may be restricted to specific uses or types of units.*

- Debt: Use revenue from rental units to leverage debt
- Low Income Housing Tax Credits & Solar Investment Tax Credits: Value of existing properties for renovation, particularly for RAD projects, can generate significant LIHTC equity
- Public Housing Capital: Capital funds, Replacement Housing Factor Funds, Demolition Disposition Transition Funds. Use is limited to public housing units.
- D.C. Local Funds: Housing Production Trust Funds, Solar for All Grant Fund
- New Markets Tax Credits: DCHA's CDE affiliate has received \$128 million to allocate to projects
- Federal Home Loan Bank: Affordable Housing Program: Grants are typically under \$1 million

# Questions